

BEFORE THE STATE LOTTERY COMMISSION
DEPARTMENT OF ADMINISTRATION
OF THE STATE OF MONTANA

In the matter of the amendment of)	NOTICE OF PROPOSED
ARM 2.63.1201 and the repeal of)	AMENDMENT AND REPEAL
ARM 2.63.1007, concerning the State)	
Lottery's procedures pertaining to)	NO PUBLIC HEARING
prizes and sales incentives)	CONTEMPLATED

TO: All Concerned Persons

1. On October 12, 2007, the State Lottery Commission proposes to amend and repeal the above-stated rules.

2. The State Lottery Commission will make reasonable accommodations for persons with disabilities who wish to participate in this rulemaking process or need an alternative accessible format of this notice. If you require an accommodation, contact the State Lottery Commission no later than 5:00 p.m. on September 4, 2007, to advise us of the nature of the accommodation that you need. Please contact John Tarr, State Lottery, P.O. Box 200544, Helena, MT 59620-0544, telephone (406) 444-5804, fax (406) 444-5830, e-mail jtarr@mt.gov.

3. The rule as proposed to be amended provides as follows, new matter underlined, deleted matter interlined:

2.63.1201 PRIZES (1) and (2) remain the same.

(3) The claimant's name, city of residence, and amount of prize is public information. The lottery may use a claimant's name and photograph for publicity and advertising purposes only upon written authorization by the claimant.

(4) through (7) remain the same.

(8) Upon validation of a winning claim, a check, electronic transfer, or warrant for the amount of the prize shall be issued to the claimant, less any applicable state or federal income tax withholding.

(9) through (11) remain the same.

(12) If the commission enters into an agreement to participate in a game for prizes over \$100,000 that requires payment periods of more than 20 years or yearly installment payments of less than \$20,000 as a condition of participation, the commission may adopt the installment payment amounts and time periods necessary to comply with the conditions of the game.

~~(42)~~ (13) All prizes payable at the death of a winner, shall be paid to a designated beneficiary, the estate of the deceased, or to a person designated by judicial order.

AUTH: 23-7-202, MCA

IMP: 23-7-202, 23-7-211, MCA

REASON: The amendment to (3) clarifies that the information may not only be used for publicity, but may also be used for advertising purposes. The amendment to (8) allows the Lottery to provide the option of electronic transfer of prize winnings directly to the claimants account. A new (12) is added to clarify the exception provided for in 23-7-311(3)(b), MCA, concerning the 20-year maximum pay out period and \$20,000 minimum annual installment for prize payouts. The Lottery currently participates in Multi-State Lottery (MUSL) games requiring payment periods of more than 20 years.

4. The department proposes to repeal the following rule:

2.63.1007 SALES STAFF INCENTIVE PLAN found at page 2-6542 of the Administrative Rules of Montana.

AUTH: 23-7-202, MCA
IMP: 23-7-202, MCA

REASON: There is no further funding for the Sales Staff Incentive Plan.

5. Concerned persons may submit their data, views, or arguments concerning the proposed actions in writing to: John Tarr, Montana Lottery, P.O. Box 200544, Helena, MT 59620-0544, telephone (406) 444-5804, fax (406) 444-5830, e-mail jtarr@mt.gov, and must be received no later than 5:00 p.m., September 20, 2007.

6. If persons who are directly affected by the proposed actions wish to express their data, views, or arguments orally or in writing at a public hearing, they must make written request for a hearing and submit this request along with any written comments to John Tarr at the above address no later than 5:00 p.m., September 20, 2007.

7. If the commission receives requests for a public hearing on the proposed actions from either 10% or 25, whichever is less, of the persons directly affected by the proposed actions; from the appropriate administrative rule review committee of the Legislature; from a governmental subdivision or agency; or from an association having not less than 25 members who will be directly affected, a hearing will be held at a later date. Notice of the hearing will be published in the Montana Administrative Register. Ten percent of those directly affected has been determined to be 30 persons based on the number of lottery retailers in the state.

8. The State Lottery Commission maintains a list of interested persons who wish to receive notices of rulemaking actions proposed by this agency. Persons who wish to have their name added to the list shall make a written request that includes the name and mailing address of the person to receive notices and specifies for which program the person wishes to receive notices. Such written request may be mailed or delivered to the contact person in 5 above or may be made by completing a request form at any rules hearing held by the commission.

9. An electronic copy of this Proposal Notice is available through the Department of Administration's web site at <http://doa.mt.gov/AdministrativeRules.asp>. The department strives to make the electronic copy of the notice conform to the official version of the notice, as printed in the Montana Administrative Register, but advises all concerned persons that in the event of a discrepancy between the official printed text of the notice and the electronic version of the notice, only the official printed text will be considered. In addition, although the department works to keep its web site accessible at all times, concerned persons should be aware that the web site may be unavailable during some periods, due to system maintenance or technical problems.

10. The bill sponsor notice requirements of 2-4-302, MCA, do not apply.

By: /s/ Robert Crippen
Robert Crippen, Chair
Montana Lottery Commission

By: /s/ Dal Smilie
Dal Smilie, Rule Reviewer
Department of Administration

Certified to the Secretary of State August 13, 2007.